

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



WEICHAI

潍柴动力股份有限公司

WEICHAI POWER CO., LTD.

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2338)

OVERSEAS REGULATORY ANNOUNCEMENT

This announcement is made pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

Reference is made to an announcement made by Weichai Power Co., Ltd. (the “**Company**”) on the website of Shenzhen Stock Exchange dated 26 April 2019, which is for information only. The full text of the announcement in Chinese is published on the websites of the Stock Exchange and the Company.

By order of the Board of Directors

Tan Xuguang

Chairman and CEO

Weifang, Shandong, PRC

26 April 2019

As at the date of this announcement, the executive Directors of the Company are Mr. Tan Xuguang, Mr. Zhang Quan, Mr. Xu Xinyu, Mr. Sun Shaojun, Mr. Yuan Hongming and Mr. Yan Jianbo; the non-executive Directors of the Company are Mr. Wang Yuepu, Mr. Jiang Kui, Mr. Gordon Riske and Mr. Michael Martin Macht; and the independent non-executive Directors of the Company are Mr. Zhang Zhong, Mr. Wang Gongyong, Mr. Ning Xiangdong, Mr. Li Hongwu and Mr. Wen Daocai.

WEICHAI POWER CO., LTD.
FIRST QUARTERLY REPORT FOR 2019



April 2019

SECTION 1 IMPORTANT NOTICE

The board of directors, the Supervisory Committee and the directors, supervisors and senior management of the Company warrant the authenticity, accuracy and completeness of the contents of this quarterly report, and that there are no false presentations, misleading statements or material omissions, and shall severally and jointly accept legal responsibilities.

All directors have attended the Board meeting in respect of reviewing this quarterly report.

Tan Xuguang, principal of the Company, Kwong Kwan Tong, principal in-charge of accounting and Li Xia, head of accounting department (in charge person of accounting) warrant that the financial statements contained in the quarterly report are true, accurate and complete.

SECTION 2 BASIC INFORMATION OF THE COMPANY

2.1 Major accounting data and financial indicators

Whether the Company has made retrospective adjustment or restatement of accounting data of the prior years

☐ Yes ☒ No

Unit: RMB

	Reporting period	Corresponding period of last year	Change for the reporting period as compared to the corresponding period of last year
Revenue (RMB)	45,211,633,342.55	39,212,057,376.95	15.30%
Net profit attributable to shareholders of listed company (RMB)	2,591,351,278.94	1,919,634,540.67	34.99%
Net profit attributable to shareholders of listed company after extraordinary gain/loss (RMB)	2,447,694,571.19	1,988,866,510.84	23.07%
Net cash flows from operating activities (RMB)	-1,274,747,500.41	-829,206,435.50	-53.73%
Basic earnings per share (RMB/share)	0.33	0.24	36.07%
Diluted earnings per share (RMB/share)	0.33	0.24	36.07%
Weighted average return on net assets	6.37%	5.29%	1.08%
	As at the end of the reporting period	As at the end of last year	Change as at the end of the reporting period over the end of last year
Total assets (RMB)	216,753,622,253.86	205,276,365,174.18	5.59%
Net assets attributable to shareholders of listed company (RMB)	42,128,317,542.15	39,313,734,834.02	7.16%

Extraordinary gain/loss items and amounts

√ Applicable □ N/A

Unit: RMB

Item	Amount from the beginning of the year to the end of the reporting period	Description
Gains or losses from disposal of non-current assets (including the part of assets impairment provision already made and written off)	3,084,181.84	
Government subsidy accounted for in profit and loss for the current period (excluding those closely associated with the business of the Company which were given in a fixed amount or volume in compliance with state standard)	47,182,329.96	
Profit and loss on the changes in fair value generated from financial assets held for trading, derivative financial assets, financial liabilities held for trading and derivative financial liabilities, and investment income received from disposal of financial assets held for trading, derivative financial assets, financial liabilities held for trading, derivative financial liabilities and other debt investments, other than effective hedging business relating to ordinary operating business of the Company	83,178,081.99	
Reversal of provision for impairment in respect of receivables and contract assets for which impairment testing is conducted individually	347,611.28	
Non-operating income and expenses other than the above items	24,472,692.08	
Less: Effects of income tax	962,773.57	
Effects of minority interests (after tax)	13,645,415.83	
Total	143,656,707.75	--

Notes on the Company's extraordinary gain or loss items as defined in the Explanatory Announcement on Information Disclosure for Companies Offering Their Securities to the Public No.1 - Extraordinary Gains or Losses and the extraordinary gain or loss items as illustrated in the Explanatory Announcement on Information Disclosure for Companies Offering Their Securities to the Public No.1 – Extraordinary Gains or Losses defined as its recurring gain or loss items

□ Applicable √ N/A

During the reporting period, the Company did not have any extraordinary gain or loss items as defined and illustrated in the Explanatory Announcement on Information Disclosure for Companies Offering Their Securities to the Public No.1 – Extraordinary Gains or Losses as its recurring gain or loss items.

2.2 Total number of shareholders and information on shareholdings of the top ten shareholders as at the end of the reporting period

1. Number of shareholders of ordinary shares and shareholders of preference shares with resumed voting rights and information on shareholdings of the top ten shareholders

Unit: Share

Total number of shareholders of ordinary shares as at the end of the reporting period	155,988	Total number of shareholders of preference shares with resumed voting rights as at the end of the reporting period, if any			0	
Information on shareholdings of the top ten shareholders						
Name of shareholder	Nature of shareholder	Shareholding ratio	Number of shares held	Number of restricted shares held	Pledged or frozen	
					Status of shares	Quantity
HKSCC Nominees Limited	Foreign shareholder	24.43%	1,938,368,556			
Weichai Group Holdings Limited	State-owned legal person	17.72%	1,406,100,000	1,345,905,600		
Hong Kong Securities Clearing Company Limited	Overseas legal person	4.74%	375,704,475			
Weifang Investment Group Company Limited	State-owned legal person	3.74%	296,625,408	296,625,408		
China Securities Finance Corporation Limited	Domestic non-state-owned legal person	2.06%	163,608,906			
IVM Technical Consultants Wien Gesellschaft m.b.H	Overseas legal person	1.66%	131,892,117			
Central Huijin Assets Management Company Limited	State-owned legal person	1.37%	108,492,800			
Shandong Enterprise Trust Operation Company Limited	Domestic non-state-owned legal person	0.85%	67,447,560			
Tan Xuguang	Domestic natural person	0.74%	58,842,596	44,131,947		
China Merchants Bank Co., Ltd. – Orient Hong Rui Feng Flexible Allocation Mixed Securities Investment Fund (LOF) (招商银行股份有限公司－东方红睿丰灵活配置混合型证券投资基金(LOF))	Funds, wealth management products etc.	0.62%	48,999,954			

Information on shareholdings of the top ten non-restricted shareholders			
Name of shareholder	Number of non-restricted shares held	Types of shares	
		Types of shares	Quantity
HKSCC Nominees Limited	1,938,368,556	Overseas listed foreign shares	1,938,368,556
Hong Kong Securities Clearing Company Limited	375,704,475	RMB ordinary shares	375,704,475
China Securities Finance Corporation Limited	163,608,906	RMB ordinary shares	163,608,906
IVM Technical Consultants Wien Gesellschaft m.b.H	131,892,117	RMB ordinary shares	131,892,117
Central Huijin Assets Management Company Limited	108,492,800	RMB ordinary shares	108,492,800
Shandong Enterprise Trust Operation Company Limited	67,447,560	RMB ordinary shares	67,447,560
Weichai Group Holdings Limited	60,194,400	RMB ordinary shares	60,194,400
China Merchants Bank Co., Ltd. – Orient Hong Rui Feng Flexible Allocation Mixed Securities Investment Fund (LOF) (招商银行股份有限公司－东方红睿丰灵活配置混合型证券投资基金(LOF))	48,999,954	RMB ordinary shares	48,999,954
National Social Security Fund – 102 Portfolio (全国社保基金一零二组合)	43,999,898	RMB ordinary shares	43,999,898
National Social Security Fund – 101 Portfolio (全国社保基金一零一组合)	36,854,023	RMB ordinary shares	36,854,023
Statement on the connected relationship or acting in concert relationship among the aforementioned shareholders	Among the aforementioned shareholders, Mr. Tan Xuguang is the chairman of Weichai Group Holdings Limited. The Company is not aware of whether there is any connected relationship among the other aforementioned shareholders, or whether there is any acting in concert relationship among them.		

Whether any of the top ten shareholders of ordinary shares and the top ten non-restricted shareholders of ordinary shares of the Company conducted any transactions on agreed repurchases during the reporting period

☐ Yes ☒ No

None of the top ten shareholders of ordinary shares or the top ten non-restricted shareholders of ordinary shares of the Company conducted any transactions on agreed repurchases during the reporting period.

2. Total number of shareholders of preference shares and information on shareholdings of the top ten shareholders of preference shares as at the end of the reporting period

☐ Applicable ☒ N/A

SECTION 3 IMPORTANT EVENTS

3.1 Information on and reasons for the changes of major accounting items and financial indicators during the reporting period

√ Applicable □ N/A

Unit: RMB

Item on statements	Balance as at the end of the reporting period	Balance as at the beginning of the reporting period	Percentage change	Reason
Financial assets held for trading	7,112,834,821.02	4,115,199,600.23	72.84%	It is mainly attributable to the increase in structured deposits in this period.
Item on statements	From the beginning of the year to the end of the reporting period	Corresponding period of last year	Percentage change	Reason
Finance expenses	108,178,472.26	200,312,341.74	-46.00%	It is mainly attributable to the decrease in interest expenses in this period.
Impairment loss on credit	200,209,104.84	487,469,725.13	-58.93%	It is mainly attributable to the different structures of receivables for which impairment loss on credit is provided.
Gains or losses on change of fair value	42,928,155.31	-164,289,400.03	126.13%	It is mainly attributable to the change in fair value of derivatives.
Net cashflows from operating activities	-1,274,747,500.41	-829,206,435.50	-53.73%	It is mainly attributable to the sales increase in this period and the fact that the time of receiving cash from the sales of merchandises was affected by the terms of payment for settlement.
Net cashflows from investing activities	-4,588,356,026.59	-44,339,231.69	-10248.30%	It is mainly attributable to the increase in structured deposits in this period.
Net cashflows from financing activities	-621,095,141.11	289,996,910.95	-314.17%	It is mainly attributable to the increase in cash paid for settling debts in this period.

3.2 Analysis and description on the progress of important events, their impacts and solutions

□ Applicable √ N/A

Progress of implementation of share repurchase

√ Applicable □ N/A

On 8 October 2018, the Company repurchased its shares by way of centralized bidding for the first time. The last repurchase transaction was conducted on 28 December 2018. During this period, by way of centralized bidding, the Company repurchased a total of 63,364,661 A shares, representing approximately 0.79% of the total share capital of the Company, at a maximum of RMB8.49 per share and a minimum of RMB7.65 per share, totaling RMB499,911,217.21 (exclusive of transaction costs). On 7 January 2019, the Company completed the formalities of repurchase and cancellation of the relevant A shares at the Shenzhen branch of China Securities Depository and Clearing Corporation Limited.

Progress of implementation of the disposal of repurchased shares by way of centralized bidding

□ Applicable √ N/A

3.3 Commitments made by the Company's de facto controllers, shareholders, connected parties, acquirers entities and other related committing parties not yet implemented during the reporting period

√ Applicable □ N/A

The commitment	Commitments by	Type of commitment	Contents of commitments	Time of commitments	Period of commitments	Implementation situation
Other commitments to medium and minority shareholders of the Company	Shaanxi Automotive Group Co., Ltd., Shaanxi Heavy-duty Motor Company Limited	Other commitments	<p>I. Issues relating to the qualification of Shaanxi Zhongqi:</p> <p>1. The business scope of Shaanxi Zhongqi covers the production and sale of full-set automobiles ("Sale and export trade (licenced operation) of automobiles (excluding sedans), auto parts and components and engines produced by the company" as stated in its Business Licence of Corporate Legal Person). According to the announcement of "Vehicle Manufacturers and Products" made by the State Development and Reform Commission (the "SDRC"), Shaanxi Automotive Group Co., Ltd. ("Shaanxi Automotive"), the other shareholder of Shaanxi Zhongqi, remained as the manufacturer of the "Shaan-qi" branded automobiles.</p> <p>2. In establishing Shaanxi Zhongqi jointly with TAGC, the contribution from Shaanxi Automotive was represented by the operating assets relating to the operation of heavy-duty automobile production, whereas the corresponding undertakings and human resources were taken over by Shaanxi Zhongqi. Whilst the qualification of Shaanxi Automotive for producing and selling heavy-duty full-set automobile products shall be succeeded by Shaanxi Zhongqi, the formalities for the change of qualification have not been completed under the influence of the "Delong-league" crisis and other factors. Shaanxi Automotive has committed to cooperate in procuring the change of qualification as mentioned above according to the law.</p> <p>II. Issues relating to land lease:</p> <p>1. Shaanxi Zhongqi leased from Shaanxi Automotive land parcels and buildings located in No. 39 and No. 71 of Xingfu Bei Road in Xincheng District, Xi'an City and Caojia Town in Qishan County.</p>	9 April 2007	Before 30 June 2007	Implementation of commitments was not yet completed.

			<p>2. Shaanxi Automotive failed to provide the relevant title documents including property ownership certificates, land use certificates or leasing registration certificates, etc.</p> <p>3. Shaanxi Automotive and Shaanxi Zhongqi undertook that they shall fully negotiate and communicate with local governments to seek elimination of the irregularities existing in the leased land and properties, within the shortest possible timeframe. Where losses are suffered by Shaanxi Zhongqi in this regard, Shaanxi Automotive shall be responsible for its full compensation.</p>			
	Shaanxi Fast Gear Co., Ltd.	Other commitments	<p>1. Shaanxi Fast Gear Co., Ltd., or SFGC, a subsidiary controlled by the Company leased from Shaanxi Auto Gear General Works (currently named Shaanxi Fast Gear Automotive Transmission Co., Ltd., and hereinafter "Fast Transmission") two parcels of land located in Daqing Road, Lianhu District, Xi'an City and Wu Zhang Yuan Town in Qishan County and Shucang Village in Baoji County, both in Shaanxi Province. The aforesaid two parcels of land were acquired by Fast Transmission by way of allocation, but Fast Transmission failed to provide competent government authorities with documents testifying agreed leasing of the land use rights concerning such allocated land.</p> <p>2. SFGC leased from Fast Transmission buildings located in the west section of Daqing Road, Lianhu District, Xi'an City and Wu Zhang Yuan Town in Qishan County and Shucang Village in Baoji County. For some of the buildings, title documents including property ownership certificates, corresponding land use right certificates and leasing registration, etc. have not yet been obtained.</p> <p>3. Fast Transmission and SFGC undertook to fully negotiate and communicate with the local governments to seek lawful and effective regulations or adjustments to the leasing of land and properties within one year and seek elimination of the existing circumstances of irregularities in respect of the leasing of land parcels and properties.</p>	1 December 2006	One year	Implementation of commitments was not yet completed.
	Weichai Power Co., Ltd.	Other commitments	<p>During the merger by absorption with TAGC, Weichai Power built some properties on a parcel of land acquired by way of land grant, allocation and leasing which is to the west of Weizhou Road and to the south of Min Sheng Road East Street by Weifang Diesel Engine Factory (currently named Weichai Group Holdings, and hereinafter "Weichai Group"). Application has been made by Weichai Power for the grant (transfer) of six parcels of land under Weichai Group where the aforesaid buildings are located, to obtain the land use rights by way of land grant to the aforesaid land parcels.</p>	1 December 2006	One year	Implementation of commitments was not yet completed.

Whether the commitments have been implemented timely	No
If implementation of commitments is not yet completed, state detailed reasons for not completing implementation of commitments and next plan	<p>1. Regarding the commitments made by Shaanxi Automotive Group Co., Ltd. and Shaanxi Heavy-duty Motor Company Limited</p> <p>According to the Decision Concerning the Administrative and Regulatory Measures under No. (2014) 9 issued by Shandong Regulatory Bureau of China Securities Regulatory Commission (《中国证券监督管理委员会山东监管局 (2014) 9 号行政监管措施决定书》), Shaanxi Automotive Group, through Weichai Power Co., Ltd., issued announcements in designated media on 13 August 2014, stating the reasons for not implementing the commitments, updates on progress, next solutions and relevant risk factors as follows: “I. Since 2007, Shaanxi Automotive has striven to transfer the qualification for producing full-set heavy-duty vehicles to Shaanxi Heavy-duty Motor Company Limited, a controlling subsidiary of Weichai Power. However, in actual practice, due to the change of austerity measures and industry policies of the state, competent authorities including the State Development and Reform Commission and the Ministry of Industry and Information Technology do not permit the segregation and partial transfer of qualification with respect to full-set automobile. As such, the “change of holder of sale and production qualification in respect of full-set heavy-duty vehicle products to Shaanxi Heavy-duty Motor Company Limited, a controlling subsidiary of Weichai Power Co., Ltd.” as stated in the Decision Concerning the Administrative and Regulatory Measures under No. (2014) 92 issued by Shandong Regulatory Bureau of China Securities Regulatory Commission (《中国证券监督管理委员会山东监管局 (2014) 92 号行政监管措施决定书》) has not been completed due to the aforesaid policy ground albeit efforts made by various parties. Going forward, the Company will actively trace the changes of state policies applicable to the automobile industry. Once permitted under policies, we commit that transfer of sale and production qualification in respect of full-set heavy-duty vehicles will be completed within half a year. II. Since its establishment in 2002, Shaanxi Heavy-duty Motor Company Limited has undergone rapid and healthy development and fully safeguarded the interests of investors. The qualification issue has never had any impact on the normal operation and development of the company. This management approach has also won recognition from competent state authorities. Shareholders from both sides and relevant regulatory bodies have been satisfied with the operation, development and result of performance of the company. III. The land and buildings located at No. 39 and No. 71 of Xingfu Bei Road in Xincheng District, Xi'an City, Shaanxi Province are listed under the “Comprehensive Renovation Work Plan for the Neighborhood at Xingfu Road (《幸福路地区综合改造工作方案》)” in accordance with the Notice Concerning the Issuance of Comprehensive Renovation Work Plan for the Neighborhood at Xingfu Road (《关于印发幸福路地区综合改造工作方案的通知》) under Shi Zheng Bang Fa No. (2013) 89 issued by the General Office of Xi'an People's Government, requiring enterprises to complete removal by the due date, and the relevant matters shall be implemented according to the government's arrangements. Shaanxi Heavy-duty Motor Company Limited moved to its registered address namely Jingwei Industrial Park, Economic and Technological Development Zone, Xi'an in 2006 and obtained state-owned land use right in respect of land parcels occupying approximately 2,700 mu, satisfying its operation and development needs. Regarding the aforesaid matters, the company will lawfully issue announcement in a timely manner through Weichai Power Co., Ltd.”</p> <p>2. Regarding the commitments made by Shaanxi Fast Gear Co. Ltd.</p> <p>According to the Decision Concerning the Administrative and Regulatory Measures under No. (2014) 10 issued by Shandong Regulatory Bureau of China Securities Regulatory Commission (《中国证券监督管理委员会山东监管局 (2014) 10 号行政监管措施决定书》), Fast Transmission, through Weichai Power Co., Ltd., stated the reasons for not implementing the commitments, updates on progress, next solutions and relevant risk factors as follows: “I. Regarding the regulations on the land and parcels and buildings located in Daqing Road, Lianhu District, Xi'an City and Wu Zhang Yuan Town in Qishan County and Shucang Village in Baoji County, both in Shaanxi Province, which were originally committed by the group for leasing to Shaanxi Fast Gear Co., Ltd., a controlling subsidiary of Weichai Power Co., Ltd., to date, the land use right certificates and property ownership certificates for the buildings located in Wu Zhang Yuan Town in Qishan County and Shucang Village in Baoji County, both in Shaanxi Province have been completed. The land use right certificate for the land parcels in Daqing Road, Lianhu District, Xi'an City has been completed, but the property ownership certificate is on hold as suggested by the government because Lianhu District is located in the zone that has been designated as part of the government's removal area. The factories located in Lianhu District, Xi'an City, Shaanxi Province has been, in accordance with the Notice by Xi'an People's Government Concerning the Administration of the Construction Projects in the Comprehensive Renovation Zone in Tumen Area (《西安市人民政府关于加强土门地区综合改造区域建设项目管理的通告》) under Shi Zheng Gao No. (2013) 4 issued by Xi'an People's Government, the land parcel has been included under the Working Plan of the Comprehensive Renovation of Tumen Area, requiring enterprises to complete removal by the due date, and the relevant matters shall be implemented according to the government's arrangements. The company shall remove on a planned and step-by-step basis and this will not affect the production operation and development of Shaanxi Fast Gear Co. Ltd. II. The group is a wholly state-owned enterprise and its reform and development has been strongly supported by Shaanxi Government and the local government for its region. Its land and properties have been endorsed by the local government and are not subject to risks. The group commits, once again, that it shall bear all losses to be incurred as a result of any failure to normally use/ failure to use those land parcels and buildings by Shaanxi Fast Gear Co. Ltd. which is in turn due to any claim of rights over those land parcels and buildings made by any third parties or imposition of any penalty by the relevant government bodies during the leasing period. Regarding the aforesaid matters, the group will lawfully issue announcement in a timely manner through Weichai Power Co., Ltd.”</p>

3. Regarding the commitments made by Weichai Power Co., Ltd.

The 6 parcels of land proposed to be granted have been listed by Weifang People's Government as part of the overall planning for land use under the government's "From City to Industrial Park" initiative, and legal procedures for granting land to Weichai Power will no longer proceed. During the transitional period under the staged implementation of the overall planning of the "From City to Industrial Park" initiative, Weichai Power shall continue to lease those land parcels in the original manner. According to the further communication between the Company and the government, the Company shall implement, by stages, the overall planning of the government's "From City to Industrial Park" initiative.

3.4 Operating results forecast for the period from January to June 2019

Warnings on and reasons for forecasting possible losses of accumulated net profit from the beginning of the year to the end of the next reporting period or significant changes as compared with the same period of the preceding year

☐ Applicable ☒ N/A

3.5 Investments in securities

☒ Applicable ☐ N/A

Unit: RMB

Type of securities	Stock code	Short name	Initial Investment cost	Accounting method	Carrying value at the beginning of period	Fair value losses/gain arising during the period	Accumulated fair value changes included in equity	Purchase amount for the period	Sale amount for the period	Gain/loss for the period	Carrying value at the end of period	Accounted for under	Source
Domestic and overseas equity	600166	Foton Motor	194,000,000.00	Fair value measurement	145,600,000.00		41,600,000.00				187,200,000.00	Investment in other equity instruments	Internal funding
Domestic and overseas equity	000425	XCMG	1,199,540,273.14	Fair value measurement	1,006,304,269.98		391,226,380.51				1,397,530,650.49	Investment in other equity instruments	Internal funding
Total			1,393,540,273.14	--	1,151,904,269.98		432,826,380.51				1,584,730,650.49	--	--

3.6 Investments in derivatives

✓ Applicable □ N/A

Unit: in ten thousand RMB

Name of operators of derivatives investment	Connection	Whether or not a connected transaction	Type of Derivatives investment	Initial Investment amount of derivatives investment	Effective Date	Expiry Date	Investment at the beginning of the Period	Amount acquired during the reporting period	Amount disposed of during the reporting period	Amount of provision for impairment (if any)	Investment at the end of the Period	Proportion of investment to the net asset of the Company at the end of the reporting period	Actual amount of profit and loss during the reporting period
The Hong Kong and Shanghai Banking Corporation Limited, the Bank of China, Barclays	No	No	Cross Currency Swap Business	0.00	30 September 2015	30 September 2020	-16,132.92				-8,888.62	-0.14%	6,657.90
The Hong Kong and Shanghai Banking Corporation Limited, Australia and New Zealand Banking Group Limited, BNP Paribas, JP Morgan	No	No	Cross Currency Swap Business	0.00	14 September 2017	14 September 2022	8,523.64				20,830.88	0.32%	12,815.31
Overseas non-connecting financial institutions etc.	No	No	Cash flow hedge in respect of forward exchange contracts	0.00	1 January 2017	2019-2020	1,923.37				-9,086.45	-0.14%	-12,639.77
Overseas non-connecting financial institutions etc.	No	No	Interest rate swaps hedging	0.00	21 February 2017	2020-2024	-6,169.55				-8,960.19	-0.14%	-3,043.01
Overseas non-connecting financial institutions etc.	No	No	Fair value hedging	0.00	22 June 2018	1 June 2025	823.38				2,083.73	0.03%	7,206.10
Domestic financial institutions	No	No	Structured deposit	892,600.00	27 April 2018	16 December 2019	361,500.00	531,100.00	250,500.00		642,100.00	9.80%	3,378.59
Total				892,600.00	--	--	350,467.92	531,100.00	250,500.00		638,079.35	9.73%	14,375.12
Source of derivatives investment funding				Internal funding									
Litigation involved (if applicable)				Not applicable									
Date of the announcement disclosing the approval by the board of directors of derivatives investment by the Board (if any)				23 September 2015									
				31 August 2017									
				22 August 2018									
				11 January 2019									
Risk analysis of positions in derivatives during the reporting period and explanations of risk control measures (including but not limited to market risk, liquidity risk, credit risk, operation risk, legal risk etc.)				There is appropriate internal control system for the management of the Company to control the relevant risks. At the end of reporting period, there was no significant exposure for the positions in derivatives of the Company.									

<p>Changes in market price or product fair value of invested derivatives during the reporting period, where specific methods and relevant assumptions and parameters used shall be disclosed in the analysis of derivatives' fair value</p>	<p>In the course of valuation, the Company adopted valuation techniques which were appropriate in the circumstances and for which sufficient data and other information were available for measurement, selecting inputs which were consistent with the characteristics of the assets and liabilities contemplated by market participants under the relevant assets or liabilities transactions. Priorities should be given to the use of relevant observable inputs. Where the relevant observable inputs could not be obtained in a practicable manner or at all, unobservable inputs would be used instead.</p> <p>(1) On 1 July 2016, Weichai International Hong Kong Energy Group Co., Limited ("Hong Kong Energy"), a subsidiary of the Company, used the 2015 bond cross currency swaps as hedging instrument, and conducted cash flow hedging on the foreign currency bond amounting to USD400 million against the cash flow fluctuation incurred by change in exchange rates. From January to March 2019, the gain on the changes in fair value of the hedging instruments recognized in other comprehensive income amounted to RMB 66,578,994.10 (EUR8,802,206.11). The amount included in the statement of profit and loss for the period was RMB48,199,438.24 (EUR6,372,300.99). There was no material invalid hedge for the reporting period. Key parameters of assumption included interest payment ratio; interest receipt ratio; frequency of interest receipt; frequency of interest payment; USD interest rate curve; EUR interest rate curve; USD/EUR exchange rate curve etc.</p> <p>(2) The effective date of 2017 bond cross currency swaps contract of Weichai International Hong Kong Energy Group Co., Limited ("Hong Kong Energy"), a subsidiary of the Company, was 14 September 2017. The gain on the changes of fair value of the swap instrument from January to March 2019 amounted to RMB 128,153,059.66 (EUR 16,689,638.69). Key parameters of assumption included interest payment ratio; interest receipt ratio; frequency of interest receipt; frequency of interest payment; USD interest rate curve; EUR interest rate curve; USD/EUR exchange rate curve etc.</p> <p>(3) At the inception of hedging, KION GROUP AG, a subsidiary of the Company, conducted cash flow hedging on forward currency contracts designated to the exchange rate risk of forecast sale, forecast purchase and firm commitment. From January to March 2019, the post-tax loss on the changes in fair value of the hedging instruments recognized in other comprehensive income amounted to RMB50,709,614.90 (EUR6,707,000.00), and the post-tax amount included in profit or loss for the current period was RMB13,004,404.00 (EUR1,720,000.00). There was no material invalid hedge for the period. Key parameters of assumption included contracted exchange rate, prevailing forward exchange rate, discount rate etc.</p> <p>(4) KION Group AG, a subsidiary of the Company, conducted cash flow hedging on interest rate swap contracts designated to the interest rate risk of the floating-rate borrowings for acquiring Dematic Group, a subsidiary of the Company. From January to March 2019, the post-tax loss on the changes in fair value of the hedging instruments recognized in other comprehensive income amounted to RMB18,425,425.90 (EUR2,437,000.00). No amount was taken to profit or loss during the current period. There was no material invalid hedge for the period. Key parameters of assumption included contracted sum of payment, forward interest rate, discount rate etc.</p> <p>(5) On 22 June 2018, KION Group AG, a subsidiary of the Company, entered into interest rate swap contract to conduct fair value hedging designated to the interest rate risk of the fixed-rate medium-term notes with a face value of EUR100,000,000.00 issued in this period. On 31 March 2019, the aforesaid hedged items of the Group were shown as bonds payable in the financial statements of the Group, with a carrying value of RMB754,601,739.06 (EUR99,805,803.57). The carrying value of the adjustment of changes in fair value of the hedged items taken to the hedged items was RMB72,061,031.70 (EUR9,531,000.00). There was no material invalid hedge for the period. Key parameters of assumption included contracted sum of payment, forward interest rate, discount rate etc.</p>
<p>Explanations of any significant changes in the Company's accounting policies and specific accounting and auditing principles on derivatives between the reporting period and the last reporting period</p>	<p>No change</p>
<p>Specific opinions of independent Directors on the derivatives investment and risk control of the Company</p>	<p>For details, please refer to the "Independent opinion on the Company's relevant matters by independent directors of Weichai Power Co., Ltd." disclosed by the Company on 31 August 2017 and the "independent opinion on the launch of derivative trading business by a controlling subsidiary of the Company by independent directors of Weichai Power Co., Ltd." disclosed by the Company on 22 August 2018 and 11 January 2019.</p>

3.7 Meetings with researchers, public relations and interviews during the reporting period

✓ Applicable □ N/A

Time	Way of reception	Type of guests	Basic information of research
3 January 2019	On-site research	Corporation	For details, please refer to the <i>Logbook of Investor Relations Activities as of 3 January 2019</i> disclosed by the Company on CNINFO website
8 January 2019	On-site research	Corporation	For details, please refer to the <i>Logbook of Investor Relations Activities as of 8 January 2019</i> disclosed by the Company on CNINFO website
14 January 2019	On-site research	Corporation	For details, please refer to the <i>Logbook of Investor Relations Activities as of 14 January 2019</i> disclosed by the Company on CNINFO website
21 January 2019	On-site research	Corporation	For details, please refer to the <i>Logbook of Investor Relations Activities as of 21 January 2019</i> disclosed by the Company on CNINFO website
22 January 2019	On-site research	Corporation	For details, please refer to the <i>Logbook of Investor Relations Activities as of 22 January 2019</i> disclosed by the Company on CNINFO website
30 January 2019	On-site research	Corporation	For details, please refer to the <i>Logbook of Investor Relations Activities as of 30 January 2019</i> disclosed by the Company on CNINFO website

3.8 External guarantees in violation of regulations

□ Applicable ✓ N/A

The Company did not have external guarantees in violation of regulations during the reporting period.

3.9 Non-operating funds of the listed company occupied by its controlling shareholders and their associates

□ Applicable ✓ N/A

There were no non-operating funds of the listed company occupied by its controlling shareholders and their associates during the reporting period.

SECTION 4 FINANCIAL STATEMENTS

4.1 Financial Statements

4.1.1 Consolidated balance sheet

Prepared by: WEICHAI POWER CO., LTD.

31 March 2019

Unit: RMB

Item	31 March 2019	31 December 2018
Current assets:		
Cash and cash equivalents	32,226,199,923.48	38,209,952,558.31
Settlement provisions		
Capital lent to other financial institutions		
Financial assets held for trading	7,112,834,821.02	4,115,199,600.23
Financial assets at fair value through profit or loss		
Derivative financial assets		
Notes receivable and accounts receivable	48,002,563,147.97	38,148,028,169.82
Incl.: Notes receivable	26,933,707,127.40	24,992,664,675.62
Accounts receivable	21,068,856,020.57	13,155,363,494.20
Prepayments	1,238,679,670.77	1,109,227,313.17
Insurance receivables		
Reinsurance receivables		
Contract reserve of reinsurance Receivables		
Other receivables	787,622,373.02	1,087,148,524.03
Incl.: Interests receivable	65,279,749.95	23,747,780.97
Dividends receivable		1,608,696.50
Purchase restituted financial assets		
Inventories	22,766,588,181.56	20,674,287,133.47
Contract assets	962,756,855.90	935,892,539.90
Held-for-sale assets	24,208,657.02	5,525,306.60
Non-current assets due within one year	2,157,449,203.47	2,127,858,173.40
Other current assets	1,580,469,584.61	1,692,343,618.45
Total current assets	116,859,372,418.82	108,105,462,937.38

WEICHAI POWER CO., LTD. FIRST QUARTERLY REPORT FOR 2019 (FULL REPORT)

Non-current assets:		
Granted loans and advances		
Debt investments		
Available-for-sale financial assets		
Other debt investments		
Held-to-maturity investments		
Long-term receivables	6,643,954,086.38	6,483,298,008.60
Long-term equity investments	4,400,735,546.09	4,463,591,313.13
Investments in other equity instruments	1,756,352,562.17	1,315,633,672.96
Other non-current financial assets	211,813,010.50	192,949,412.40
Investment property	581,106,791.44	593,459,307.58
Fixed assets	24,839,242,522.49	29,454,072,247.73
Construction in progress	3,606,954,469.79	2,848,101,239.62
Productive biological assets		
Oil and gas assets		
Right-of-use assets	6,652,144,005.77	
Intangible assets	22,477,790,701.06	23,299,455,749.37
Development expenditure	442,800,885.08	440,148,223.16
Goodwill	22,583,763,387.81	23,037,386,296.04
Long-term prepaid expenses	235,246,911.37	228,459,134.85
Deferred tax assets	5,148,920,055.88	4,458,451,001.33
Other non-current assets	313,424,899.21	355,896,630.03
Total non-current assets	99,894,249,835.04	97,170,902,236.80
Total assets	216,753,622,253.86	205,276,365,174.18
Current liabilities:		
Short-term loans	6,000,985,956.82	5,472,765,901.24
Loans from central bank		
Capital borrowed from other financial institutions		
Financial liabilities held for trading	279,446,634.78	213,435,765.47
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities		
Notes payable and accounts payable	55,944,437,840.64	46,794,371,199.93

WEICHAI POWER CO., LTD. FIRST QUARTERLY REPORT FOR 2019 (FULL REPORT)

Advance from customers		
Selling financial assets of repurchase		
Absorbing deposit and interbank deposit		
Security trading commission		
Security underwriting fees		
Payroll payables	4,539,793,538.31	5,184,666,613.19
Taxes payable	2,981,269,586.16	2,506,794,642.37
Other payables	5,250,743,845.77	6,502,173,092.72
Incl.: Interests payable	105,651,193.36	101,293,322.06
Dividends payable	29,822,880.44	295,006,756.48
Handling fees and commission Payable		
Reinsurance payables		
Contract liabilities	6,553,902,537.12	8,722,443,043.80
Held-for-sale liabilities		
Non-current liabilities due within one year	8,182,800,139.11	6,898,699,368.61
Other current liabilities	6,710,428,524.92	6,321,615,150.06
Total current liabilities	96,443,808,603.63	88,616,964,777.39
Non-current liabilities:		
Insurance contract reserve		
Long-term borrowings	9,731,433,552.35	10,908,512,233.85
Bonds payable	11,888,164,249.17	12,265,020,075.27
Incl: Preference shares		
Perpetual bonds		
Lease liabilities	6,801,576,539.08	
Long-term payables	5,049,549,820.90	9,895,419,535.20
Long-term payroll payable	9,833,767,032.19	9,580,057,732.13
Provisions	346,698,156.70	364,979,471.20
Deferred income	2,901,910,541.55	3,056,191,818.80
Deferred tax liabilities	5,783,148,099.48	5,772,705,450.50
Other non-current liabilities	2,470,097,199.79	2,557,186,306.15
Total non-current liabilities	54,806,345,191.21	54,400,072,623.10
Total liabilities	151,250,153,794.84	143,017,037,400.49

WEICHAI POWER CO., LTD. FIRST QUARTERLY REPORT FOR 2019 (FULL REPORT)

Equity holders' interest:		
Share capital	7,933,873,895.00	7,997,238,556.00
Other equity instruments		
Incl: Preference shares		
Perpetual bonds		
Capital reserves	116,676,458.38	113,699,432.76
Less: Treasury stock		499,911,217.21
Other comprehensive income	-1,246,056,784.63	-1,570,594,557.01
Special reserves	169,760,667.77	155,056,854.10
Surplus reserves	237,736,834.40	674,283,390.61
General risk provision		
Retained earnings	34,916,326,471.23	32,443,962,374.77
Total equity attributable to equity holders of parent company	42,128,317,542.15	39,313,734,834.02
Minority interests	23,375,150,916.87	22,945,592,939.67
Total equity holders' interests	65,503,468,459.02	62,259,327,773.69
Total liabilities and equity holders' interests	216,753,622,253.86	205,276,365,174.18

Legal representative: Tan Xuguang

Principal in charge of accounting: Kwong Kwan Tong

Head of accounting department: Li Xia

4.1.2 Balance sheet of the parent company

Unit: RMB

Item	31 March 2019	31 December 2018
Current assets:		
Cash and cash equivalents	14,874,849,673.60	19,192,409,975.78
Financial assets held for trading		
Financial assets at fair value through profit or loss		
Derivative financial assets		
Notes receivable and accounts receivable	30,463,492,223.43	22,096,166,689.15
Incl.: Notes receivable	21,623,004,525.41	21,026,407,121.15
Accounts receivable	8,840,487,698.02	1,069,759,568.00
Prepayments	553,980,278.93	385,395,385.93
Other receivables	272,409,943.91	501,826,716.43
Incl.: Interests receivable	51,933,658.96	10,662,718.08
Dividends receivable	31,516,538.44	292,560,465.75
Inventories	2,564,883,563.23	1,971,178,990.99
Contract assets		
Held-for-sale assets		
Non-current assets due within one year		
Other current assets	5,152,741.09	164,194,933.94
Total current assets	48,734,768,424.19	44,311,172,692.22
Non-current assets:		
Debt investments		
Available-for-sale financial assets		
Other debt investments		
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	14,678,631,256.18	14,531,123,322.77

WEICHAI POWER CO., LTD. FIRST QUARTERLY REPORT FOR 2019 (FULL REPORT)

Investments in other equity instruments	211,682,200.00	170,082,200.00
Other non-current financial assets		
Investment property	1,144,814,057.92	1,372,826,553.46
Fixed assets	2,793,137,974.89	2,561,908,781.20
Construction in progress	1,072,822,163.43	922,996,632.68
Productive biological assets		
Oil and gas assets		
Right-of-use assets		
Intangible assets	519,680,147.11	447,349,640.19
Development expenditure		
Goodwill	341,073,643.76	341,073,643.76
Long-term prepaid expenses		
Deferred tax assets	1,117,382,591.76	949,075,808.16
Other non-current assets	2,266,184,774.12	2,266,184,774.12
Total non-current assets	24,145,408,809.17	23,562,621,356.34
Total assets	72,880,177,233.36	67,873,794,048.56
Current liabilities:		
Short-term loans		
Financial liabilities held for trading		
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities		
Notes payable and accounts payable	24,435,001,030.50	21,299,987,574.50
Advance from customers		
Contract liabilities	520,632,423.61	1,481,303,661.91
Payroll payables	855,095,175.79	916,685,488.49
Taxes payable	1,127,507,699.39	569,997,419.03

WEICHAI POWER CO., LTD. FIRST QUARTERLY REPORT FOR 2019 (FULL REPORT)

Other payables	1,733,930,688.28	1,783,055,862.95
Incl.: Interests payable		
Dividends payable		
Held-for-sale liabilities		
Non-current liabilities due within one year		
Other current liabilities	1,646,794,933.64	1,681,702,830.61
Total current liabilities	30,318,961,951.21	27,732,732,837.49
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Incl: Preference shares		
Perpetual bonds		
Lease liabilities		
Long-term payables	5,515,822.60	5,515,822.60
Long-term payroll payable	15,272,474.38	13,444,746.89
Provisions		
Deferred income	801,622,364.04	803,454,411.80
Deferred tax liabilities		
Other non-current liabilities		
Total non-current liabilities	822,410,661.02	822,414,981.29
Total liabilities	31,141,372,612.23	28,555,147,818.78
Equity holders' interests:		
Share capital	7,933,873,895.00	7,997,238,556.00
Other equity instruments		
Incl: Preference shares		
Perpetual bonds		
Capital reserves	889,049,905.85	1,084,612,950.62
Less: Treasury stock		499,911,217.21

WEICHAI POWER CO., LTD. FIRST QUARTERLY REPORT FOR 2019 (FULL REPORT)

Other comprehensive income	-11,898,130.00	-47,258,130.00
Special reserves	80,655,763.46	74,867,864.57
Surplus reserves	2,811,115,722.19	2,811,115,722.19
Retained earnings	30,036,007,464.63	27,897,980,483.61
Total equity holders' interests	41,738,804,621.13	39,318,646,229.78
Total liabilities and equity holders' interests	72,880,177,233.36	67,873,794,048.56

4.1.3 Consolidated income statement

Unit: RMB

Item	Amount for current Period	Amount for corresponding period of last year
1. Total revenue	45,211,633,342.55	39,212,057,376.95
Including: Revenue	45,211,633,342.55	39,212,057,376.95
Interest income		
Premium income earned		
Handling fees and commission income		
2. Total cost of sales	41,238,055,640.02	36,009,764,470.31
Including: Cost of sales	35,419,659,872.66	30,158,862,710.08
Interest expenses		
Handling fees and commission expenses		
Payments on surrenders		
Claim expenses-net		
Provision for insurance contract reserve-net		
Policyholder dividends		
Expenses for reinsurance		
Taxes and surcharges	189,050,272.97	216,990,663.54
Distribution and selling expenses	2,735,617,870.30	2,638,471,290.44
General and administrative expenses	1,572,896,049.44	1,460,074,489.50
Research & development expenses	987,034,315.15	820,380,291.27
Finance expenses	108,178,472.26	200,312,341.74
Incl.: Interest expenses	298,545,351.69	425,455,156.77
Interest income	232,202,501.87	296,882,488.97
Impairment loss on assets	25,409,682.40	27,202,958.61
Impairment loss on credit	200,209,104.84	487,469,725.13
Add: Other income	47,182,329.96	30,365,357.21
Investment income (losses are indicated with "-")	92,226,589.02	105,431,049.27

WEICHAI POWER CO., LTD. FIRST QUARTERLY REPORT FOR 2019 (FULL REPORT)

Including: Share of profit of associates and jointly-controlled enterprises	11,474,176.97	18,557,550.35
Foreign exchange gains (losses are indicated with “-”)		
Gains on net exposure hedging (losses are indicated with “-”)		
Gains on fair value changes (losses are indicated with “-”)	42,928,155.31	-164,289,400.03
Gain on disposal of assets (losses are indicated with “-”)	3,084,346.97	2,222,825.03
3. Operating profit (losses are indicated with “-”)	4,158,999,123.79	3,176,022,738.12
Add: Non-operating income	67,485,301.15	94,831,557.07
Less: Non-operating expenses	43,012,774.20	26,685,066.72
4. Total profits (total losses are indicated with “-”)	4,183,471,650.74	3,244,169,228.47
Less: Income tax expenses	810,888,904.05	683,574,695.46
5. Net profits (net losses are indicated with “-”)	3,372,582,746.69	2,560,594,533.01
(1) Breakdown by continuity of operations		
1. Net profit from continuing operations (net losses are indicated with “-”)	3,372,582,746.69	2,560,594,533.01
2. Net profit from discontinued operations (net losses are indicated with “-”)		
(2) Breakdown by attributable interests		
1. Net profit attributable to owners of the parent	2,591,351,278.94	1,919,634,540.67
2. Minority interests	781,231,467.75	640,959,992.34
6. Net other comprehensive income after tax	140,142,214.35	-707,913,886.80
Net other comprehensive income attributable to shareholders of the parent after tax	337,949,592.81	-249,559,668.32
(1) Those other comprehensive income not to be reclassified into profit or loss	263,486,304.77	-27,145,604.96
1. Changes arising from re-measurement of defined benefit plan	-167,506,174.40	-7,425,604.96

2. Other comprehensive income not to be reclassified into profit or loss using the equity method		
3. Change in fair value of investment in other equity instruments	430,992,479.17	-19,720,000.00
4. Change in fair value of credit risk of enterprise		
5. Others		
(2) Those other comprehensive income to be reclassified into profit or loss	74,463,288.04	-222,414,063.36
1. Other comprehensive income to be reclassified into profit or loss using the equity method	-40,827.78	-1,012,582.49
2. Change in fair value of other debt investments		
3. Change in fair value of available-for-sale financial assets		
4. Amount of financial assets to be reclassified and taken to other comprehensive income		
5. Gains or losses on reclassification of held-to-maturity investments to available-for-sale financial assets		
6. Provision for impairment of credit in respect of other debt investments		
7. Cashflow hedging reserve	-6,648,988.66	3,696,616.16
8. Exchange differences on foreign currency translation	81,153,104.48	-225,098,097.03
9. Others		
Net other comprehensive income attributable to minority interest after tax	-197,807,378.46	-458,354,218.48
7. Total comprehensive income	3,512,724,961.04	1,852,680,646.21

WEICHAI POWER CO., LTD. FIRST QUARTERLY REPORT FOR 2019 (FULL REPORT)

Total comprehensive income attributable to owners of the parent	2,929,300,871.75	1,670,074,872.35
Total comprehensive income attributable to minority interest	583,424,089.29	182,605,773.86
8. Earnings per share:		
(1) Basic earnings per share	0.33	0.24
(2) Diluted earnings per share	0.33	0.24

Legal representative: Tan Xuguang Principal in charge of accounting: Kwong Kwan Tong Head of accounting department: Li Xia

4.1.4 Income statement of the parent company

Unit: RMB

Item	Amount for current Period	Amount for corresponding period of last year
1. Revenue	12,812,289,440.34	10,183,306,977.66
Less: Cost of sales	9,119,948,360.44	7,237,478,560.94
Taxes and surcharges	96,834,426.73	113,710,827.00
Distribution and selling expenses	340,861,291.20	364,423,619.51
General and administrative expenses	249,854,286.55	160,265,686.16
Research & development expenses	417,218,279.89	290,297,968.16
Finance expenses	-59,373,109.58	-43,823,262.23
Incl.: Interest expenses		
Interest income	60,144,400.10	42,193,857.91
Impairment loss on assets		
Impairment loss on credit	140,860,732.74	394,511,139.22
Add: Other income	14,066,730.78	10,656,403.10
Investment income (losses are indicated with "-")	24,990,255.54	177,911,301.15
Including: Share of profit of associated companies and joint ventures	24,990,255.54	26,876,170.86
Gains on net exposure hedging (losses are indicated with "-")		
Gains on fair value changes (losses are indicated with "-")		

WEICHAI POWER CO., LTD. FIRST QUARTERLY REPORT FOR 2019 (FULL REPORT)

Gain on disposal of assets (losses are indicated with “-”)	-4,033,015.71	325,538.97
2. Operating profit (losses are indicated with “-”)	2,541,109,142.98	1,855,335,682.12
Add: Non-operating income	2,808,335.20	1,382,395.80
Less: Non-operating expenses	1,127,108.58	1,421,650.06
3. Total profits (total losses are indicated with “-”)	2,542,790,369.60	1,855,296,427.86
Less: Income tax expenses	404,763,388.58	300,646,280.98
4. Net profits (net losses are indicated with “-”)	2,138,026,981.02	1,554,650,146.88
(1) Net profit from continuing operations (net losses are indicated with “-”)	2,138,026,981.02	1,554,650,146.88
(2) Net profit from discontinued operations (net losses are indicated with “-”)		
5. Net other comprehensive income after tax	35,360,000.00	-19,720,000.00
(1) Those other comprehensive income not to be reclassified into profit or loss	35,360,000.00	-19,720,000.00
1. Changes arising from re-measurement of defined benefit plan		
2. Other comprehensive income not to be reclassified into profit or loss using the equity method		
3. Change in fair value of investment in other equity instruments	35,360,000.00	-19,720,000.00
4. Change in fair value of credit risk of enterprise		
5. Others		
(2) Those other comprehensive income to be reclassified into profit or Loss		
1. Other comprehensive income to be reclassified into profit or loss using the equity method		
2. Change in fair value of other debt investments		
3. Change in fair value of available-for-sale financial assets		
4. Amount of financial assets to be reclassified and taken to other comprehensive income		

5. Gains or losses on reclassification of held-to-maturity investments to available-for-sale financial assets		
6. Provision for impairment of credit in respect of other debt investments		
7. Cashflow hedging reserve		
8. Exchange differences on foreign currency translation		
9. Others		
6.Total comprehensive income	2,173,386,981.02	1,534,930,146.88
7. Earnings per share:		
(1) Basic earnings per share	0.27	0.19
(2) Diluted earnings per share	0.27	0.19

4.1.5 Consolidated cash flow statement

Unit: RMB

Item	Amount for current Period	Amount for corresponding period of last year
1. Cash flows from operating activities:		
Cash received from sale of goods and provision of services	30,116,048,753.01	28,336,640,454.42
Net increase in customers' deposit and interbank deposit		
Net increase in loans from central bank		
Net increase in capital borrowed from other financial institutions		
Cash received from premiums of original insurance contract		
Net cash received from reinsurance		
Net increase in policyholder deposit and investment		
Net increase in disposal of financial assets at fair value through profit or loss		
Cash received from interests, handling fees and commission		
Net increase in capital borrowed		
Net increase in cash received under repurchasing		
Net cash received from entrusted sale and purchase of securities		
Refund of taxes	155,521,984.98	188,487,361.67
Other cash received relating to operating activities	246,759,763.71	272,007,196.08
Subtotal of cash inflows from operating activities	30,518,330,501.70	28,797,135,012.17
Cash paid for purchase of goods and receiving of services	20,741,043,970.16	18,660,288,959.68
Net increase in customers' loans and advances		
Net increase in fund deposited in central bank and interbank		
Cash paid for claims under original insurance contract		
Net increase in financial assets held for trading		
Net increase in capital lent to other financial institutions		
Cash paid for interests, handling fees and commission		
Cash paid for dividends to policyholders		
Cash paid to and for staff	6,686,208,666.50	5,767,805,501.62
Cash paid for all types of taxes	1,748,865,364.84	1,760,610,151.95
Other cash paid relating to operating activities	2,616,960,000.61	3,437,636,834.42
Subtotal of cash outflows from operating activities	31,793,078,002.11	29,626,341,447.67

WEICHAI POWER CO., LTD. FIRST QUARTERLY REPORT FOR 2019 (FULL REPORT)

Net cash flows from operating activities	-1,274,747,500.41	-829,206,435.50
2. Cash flows from investing activities:		
Cash received from disposal of investments	2,105,000,000.00	1,135,000,000.00
Cash from return on investments	34,208,227.11	27,134,952.15
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	24,713,147.80	15,528,932.20
Net cash received from disposal of subsidiaries and other business units		130,019,045.68
Other cash received relating to investing activities		
Subtotal of cash inflows from investing activities	2,163,921,374.91	1,307,682,930.03
Cash paid for acquisition and construction of fixed assets, intangible assets and other long-term assets	1,141,277,401.50	691,128,442.92
Cash paid for investment	5,611,000,000.00	630,000,000.00
Net increase in pledged loans		
Net cash paid for acquisition of subsidiaries and other business units		
Other cash paid relating to investing activities		30,893,718.80
Subtotal of cash outflows from investing activities	6,752,277,401.50	1,352,022,161.72
Net cash flows from investing activities	-4,588,356,026.59	-44,339,231.69
3. Cash flows from financing activities:		
Cash received from capital contribution	97,380,570.97	11,439,720.00
Including: Cash received by subsidiaries from capital contribution of minority shareholders	97,380,570.97	11,439,720.00
Cash received from borrowings	5,570,436,811.40	4,181,821,549.30
Cash received from issuance of debentures		
Other cash received relating to financing activities	15,620,366.01	56,371,712.75
Subtotal of cash inflows from financing activities	5,683,437,748.38	4,249,632,982.05
Cash paid for repayment of borrowings	5,819,134,929.60	3,625,460,370.61
Cash paid for distribution of dividends, profit or for interest	469,019,767.51	329,878,862.84
Including: Dividends and profit distributed to minority shareholders by subsidiaries	330,681,732.72	237,885,684.84
Other cash paid relating to financing activities	16,378,192.38	4,296,837.65

WEICHAI POWER CO., LTD. FIRST QUARTERLY REPORT FOR 2019 (FULL REPORT)

Subtotal of cash outflows from financing activities	6,304,532,889.49	3,959,636,071.10
Net cash flows from financing activities	-621,095,141.11	289,996,910.95
4. Effects of changes in exchange rates on cash and cash equivalents	-10,708,924.97	-32,858,868.15
5. Net increase in cash and cash equivalents	-6,494,907,593.08	-616,407,624.39
Add: balances of cash and cash equivalents as at the beginning of the period	34,379,938,275.41	26,254,590,256.11
6. Balances of cash and cash equivalents as at the end of the period	27,885,030,682.33	25,638,182,631.72

4.1.6 Cash flow statement of the parent company

Unit: RMB

Item	Amount for current Period	Amount for corresponding period of last year
1. Cash flows from operating activities:		
Cash received from sale of goods and provision of services	5,941,860,617.46	7,233,413,207.62
Refund of taxes		
Other cash received relating to operating activities	52,682,072.27	74,746,634.23
Subtotal of cash inflows from operating activities	5,994,542,689.73	7,308,159,841.85
Cash paid for purchase of goods and receiving of services	8,776,454,061.22	6,476,235,804.79
Cash paid to and for staff	636,974,332.74	499,739,875.93
Cash paid for all types of taxes	755,180,862.42	802,427,079.08
Other cash paid relating to operating activities	113,399,758.68	162,461,419.07
Subtotal of cash outflows from operating activities	10,282,009,015.06	7,940,864,178.87
Net cash flows from operating activities	-4,287,466,325.33	-632,704,337.02
2. Cash flows from investing activities:		
Cash received from disposal of investments		211,615,695.00
Cash from return on investments	261,043,927.31	192,178,228.17
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	8,653,514.00	
Net cash received from disposal of subsidiaries and other business units		
Other cash received relating to investing activities	241,783,376.18	

WEICHAI POWER CO., LTD. FIRST QUARTERLY REPORT FOR 2019 (FULL REPORT)

Subtotal of cash inflows from investing activities	511,480,817.49	403,793,923.17
Cash paid for acquisition and construction of fixed assets, intangible assets and other long-term assets	366,655,266.23	102,018,781.63
Cash paid for investment	175,840,000.00	26,692,680.00
Net cash paid for acquisition of subsidiaries and other business units		
Other cash paid relating to investing activities		275,231,820.00
Subtotal of cash outflows from investing activities	542,495,266.23	403,943,281.63
Net cash flows from investing activities	-31,014,448.74	-149,358.46
3. Cash flows from financing activities:		
Cash received from capital contribution		
Cash received from borrowings		
Cash received from issuance of debentures		
Other cash received relating to financing activities		
Subtotal of cash inflows from financing activities		
Cash paid for repayment of borrowings		
Cash paid for distribution of dividends, profit or for interest repayment		35,210,522.95
Other cash paid relating to financing activities		
Subtotal of cash outflows from financing activities		35,210,522.95
Net cash flows from financing activities		-35,210,522.95
4. Effects of changes in exchange rates on cash and cash equivalents	-40,805.35	-38,037.36
5. Net increase in cash and cash equivalents	-4,318,521,579.42	-668,102,255.79
Add: balances of cash and cash equivalents as at the beginning of the period	19,074,554,698.78	14,138,495,877.47
6. Balances of cash and cash equivalents as at the end of the period	14,756,033,119.36	13,470,393,621.68

4.2 Descriptions of adjustment of financial statements

4.2.1 Adjustment to the opening financial statements for the first year of initial implementation of the new standard on leases

√ Applicable □ Not applicable

Consolidated balance sheet

			Unit: RMB
Item	31 December 2018	1 January 2019	Adjustment
Current assets:			
Cash and cash equivalents	38,209,952,558.31	38,209,952,558.31	
Settlement provisions			
Capital lent to other financial institutions			
Financial assets held for trading	4,115,199,600.23	4,115,199,600.23	
Financial assets at fair value through profit or loss	N/A	N/A	
Derivative financial assets			
Notes receivable and accounts receivable	38,148,028,169.82	38,148,028,169.82	
Incl.: Notes receivable	24,992,664,675.62	24,992,664,675.62	
Accounts receivable	13,155,363,494.20	13,155,363,494.20	
Prepayments	1,109,227,313.17	1,109,227,313.17	
Insurance receivables			
Reinsurance receivables			
Contract reserve of reinsurance Receivables			
Other receivables	1,087,148,524.03	1,087,148,524.03	
Incl.: Interests receivable	23,747,780.97	23,747,780.97	
Dividends receivable	1,608,696.50	1,608,696.50	
Purchase restituted financial assets			
Inventories	20,674,287,133.47	20,674,287,133.47	
Contract assets	935,892,539.90	935,892,539.90	
Held-for-sale assets	5,525,306.60	5,525,306.60	
Non-current assets due within one year	2,127,858,173.40	2,141,079,811.55	13,221,638.15
Other current assets	1,692,343,618.45	1,692,343,618.45	
Total current assets	108,105,462,937.38	108,118,684,575.53	13,221,638.15

Non-current assets:			
Granted loans and advances			
Debt investments			
Available-for-sale financial assets	N/A	N/A	
Other debt investments			
Held-to-maturity investments	N/A	N/A	
Long-term receivables	6,483,298,008.60	6,483,298,008.60	
Long-term equity investments	4,463,591,313.13	4,463,591,313.13	
Investments in other equity instruments	1,315,633,672.96	1,315,633,672.96	
Other non-current financial assets	192,949,412.40	192,949,412.40	
Investment property	593,459,307.58	593,459,307.58	
Fixed assets	29,454,072,247.73	24,623,250,825.83	-4,830,821,421.90
Construction in progress	2,848,101,239.62	2,848,101,239.62	
Productive biological assets			
Oil and gas assets			
Right-of-use assets	N/A	7,446,594,472.69	7,446,594,472.69
Intangible assets	23,299,455,749.37	23,299,455,749.37	
Development expenditure	440,148,223.16	440,148,223.16	
Goodwill	23,037,386,296.04	23,037,386,296.04	
Long-term prepaid expenses	228,459,134.85	228,459,134.85	
Deferred tax assets	4,458,451,001.33	4,628,227,385.60	169,776,384.27
Other non-current assets	355,896,630.03	355,896,630.03	
Total non-current assets	97,170,902,236.80	99,956,451,671.87	2,785,549,435.07
Total assets	205,276,365,174.18	208,075,136,247.40	2,798,771,073.22
Current liabilities:			
Short-term loans	5,472,765,901.24	5,472,765,901.24	
Loans from central bank			
Capital borrowed from other financial institutions			
Financial liabilities held for trading	213,435,765.47	213,435,765.47	
Financial liabilities at fair value through profit or loss	N/A	N/A	
Derivative financial liabilities			
Notes payable and accounts payable	46,794,371,199.93	46,794,371,199.93	

Advance from customers			
Selling financial assets of repurchase			
Absorbing deposit and interbank deposit			
Security trading commission			
Security underwriting fees			
Payroll payables	5,184,666,613.19	5,184,666,613.19	
Taxes payable	2,506,794,642.37	2,506,794,642.37	
Other payables	6,502,173,092.72	6,502,173,092.72	
Incl.: Interests payable	101,293,322.06	101,293,322.06	
Dividends payable	295,006,756.48	295,006,756.48	
Handling fees and commission Payable			
Reinsurance payables			
Contract liabilities	8,722,443,043.80	8,722,443,043.80	
Held-for-sale liabilities			
Non-current liabilities due within one year	6,898,699,368.61	7,725,461,950.00	826,762,581.39
Other current liabilities	6,321,615,150.06	6,161,490,993.56	-160,124,156.50
Total current liabilities	88,616,964,777.39	89,283,603,202.28	666,638,424.89
Non-current liabilities:			
Insurance contract reserve			
Long-term borrowings	10,908,512,233.85	10,908,512,233.85	
Bonds payable	12,265,020,075.27	12,265,020,075.27	
Incl: Preference shares			
Perpetual bonds			
Lease liabilities	N/A	7,881,249,450.72	7,881,249,450.72
Long-term payables	9,895,419,535.20	4,369,214,175.24	-5,526,205,359.96
Long-term payroll payable	9,580,057,732.13	9,580,057,732.13	
Provisions	364,979,471.20	364,979,471.20	
Deferred income	3,056,191,818.80	3,006,706,745.00	-49,485,073.80
Deferred tax liabilities	5,772,705,450.50	5,893,450,286.14	120,744,835.64
Other non-current liabilities	2,557,186,306.15	2,557,186,306.15	
Total non-current liabilities	54,400,072,623.10	56,826,376,475.70	2,426,303,852.60
Total liabilities	143,017,037,400.49	146,109,979,677.98	3,092,942,277.49

Equity holders' interest:			
Share capital	7,997,238,556.00	7,997,238,556.00	
Other equity instruments		-	
Incl: Preference shares		-	
Perpetual bonds		-	
Capital reserves	113,699,432.76	113,699,432.76	
Less: Treasury stock	499,911,217.21	499,911,217.21	
Other comprehensive income	-1,570,594,557.01	-1,584,006,377.44	-13,411,820.43
Special reserves	155,056,854.10	155,056,854.10	
Surplus reserves	674,283,390.61	674,283,390.61	
General risk provision			
Retained earnings	32,443,962,374.77	32,324,975,192.29	-118,987,182.48
Total equity attributable to equity holders of parent company	39,313,734,834.02	39,181,335,831.11	-132,399,002.91
Minority interests	22,945,592,939.67	22,783,820,738.31	-161,772,201.36
Total equity holders' interests	62,259,327,773.69	61,965,156,569.42	-294,171,204.27
Total liabilities and equity holders' interests	205,276,365,174.18	208,075,136,247.40	2,798,771,073.22

Descriptions of adjustments made:

On 7 December 2018, the revised Accounting Standards for Business Enterprises No. 21 – Leases were issued by the Ministry of Finance under Cai Kuai [2018] No. 35 and, with effect from 1 January 2019, became applicable to enterprises that are listed on both China's and overseas stock markets or listed on overseas stock market and adopt international financial reporting standards (IFRSs) or accounting standards for business enterprises (ASBEs) in the preparation of financial statements.

Pursuant to the revised Accounting Standards for Business Enterprises No. 21 – Leases issued by the Ministry of Finance under Cai Kuai [2018] No. 35, the Company adjusts the respective amounts of the opening retained earnings and other related items in the financial statements based on the cumulative effect of the first adoption of the new standards on leases in the year of first adoption, but does not adjust those figures in the comparative period.

Balance sheet of the parent company

Unit: RMB

Item	31 December 2018	1 January 2019	Adjustment
Current assets:			
Cash and cash equivalents	19,192,409,975.78	19,192,409,975.78	
Financial assets held for trading			
Financial assets at fair value through profit or loss	N/A	N/A	
Derivative financial assets			
Notes receivable and accounts receivable	22,096,166,689.15	22,096,166,689.15	
Incl.: Notes receivable	21,026,407,121.15	21,026,407,121.15	
Accounts receivable	1,069,759,568.00	1,069,759,568.00	
Prepayments	385,395,385.93	385,395,385.93	
Other receivables	501,826,716.43	501,826,716.43	
Incl.: Interests receivable	10,662,718.08	10,662,718.08	
Dividends receivable	292,560,465.75	292,560,465.75	
Inventories	1,971,178,990.99	1,971,178,990.99	
Contract assets			
Held-for-sale assets			
Non-current assets due within one Year			
Other current assets	164,194,933.94	164,194,933.94	
Total current assets	44,311,172,692.22	44,311,172,692.22	
Non-current assets:			
Debt investments			
Available-for-sale financial assets	N/A	N/A	
Other debt investments			
Held-to-maturity investments	N/A	N/A	
Long-term receivables			

Long-term equity investments	14,531,123,322.77	14,531,123,322.77	
Investments in other equity instruments	170,082,200.00	170,082,200.00	
Other non-current financial assets			
Investment property	1,372,826,553.46	1,372,826,553.46	
Fixed assets	2,561,908,781.20	2,561,908,781.20	
Construction in progress	922,996,632.68	922,996,632.68	
Productive biological assets			
Oil and gas assets			
Right-of-use assets	N/A		
Intangible assets	447,349,640.19	447,349,640.19	
Development expenditure			
Goodwill	341,073,643.76	341,073,643.76	
Long-term prepaid expenses			
Deferred tax assets	949,075,808.16	949,075,808.16	
Other non-current assets	2,266,184,774.12	2,266,184,774.12	
Total non-current assets	23,562,621,356.34	23,562,621,356.34	
Total assets	67,873,794,048.56	67,873,794,048.56	
Current liabilities:			
Short-term loans			
Financial liabilities held for trading			
Financial liabilities at fair value through profit or loss	N/A	N/A	
Derivative financial liabilities			
Notes payable and accounts payable	21,299,987,574.50	21,299,987,574.50	
Advance from customers			
Contract liabilities			

Payroll payables	916,685,488.49	916,685,488.49	
Taxes payable	569,997,419.03	569,997,419.03	
Other payables	1,783,055,862.95	1,783,055,862.95	
Incl.: Interests payable			
Dividends payable			
Held-for-sale liabilities			
Non-current liabilities due within one year			
Other current liabilities	1,681,702,830.61	1,681,702,830.61	
Total current liabilities	27,732,732,837.49	27,732,732,837.49	
Non-current liabilities:			
Long-term borrowings			
Bonds payable			
Incl: Preference shares			
Perpetual bonds			
Lease liabilities	N/A		
Long-term payables	5,515,822.60	5,515,822.60	
Long-term payroll payable	13,444,746.89	13,444,746.89	
Provisions			
Deferred income	803,454,411.80	803,454,411.80	
Deferred tax liabilities			
Other non-current liabilities			
Total non-current liabilities	822,414,981.29	822,414,981.29	
Total liabilities	28,555,147,818.78	28,555,147,818.78	
Equity holders' interests:			
Share capital	7,997,238,556.00	7,997,238,556.00	
Other equity instruments			
Incl: Preference shares			
Perpetual bonds			

Capital reserves	1,084,612,950.62	1,084,612,950.62	
Less: Treasury stock	499,911,217.21	499,911,217.21	
Other comprehensive income	-47,258,130.00	-47,258,130.00	
Special reserves	74,867,864.57	74,867,864.57	
Surplus reserves	2,811,115,722.19	2,811,115,722.19	
Retained earnings	27,897,980,483.61	27,897,980,483.61	
Total equity holders' interests	39,318,646,229.78	39,318,646,229.78	
Total liabilities and equity holders' interests	67,873,794,048.56	67,873,794,048.56	

Descriptions of adjustments made:

No adjustments were made to any opening data as the parent company implemented the new standard on leases.

4.2.2 Descriptions of retrospective adjustment to comparative data in previous period following initial implementation of the new standard on leases

☐ Applicable ☒ Not applicable

4.3 Auditors' report

Whether the first quarterly report is audited or not

☐ Yes ☒ No

The first quarterly report of the Company is not audited.

WEICHAI POWER CO., LTD.
Tan Xuguang, Chairman
26 April 2019